

NEWS RELEASE

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Colorado Securities Commissioner Agrees to RBC Capital Markets Settlement Regarding Unlicensed Salespeople

Colorado Securities Commissioner Fred Joseph announced today the terms of a settlement between the Colorado Division of Securities and RBC Capital Markets, LLC, stemming from the Division of Securities' claims that the brokerage firm allowed their client associates to sell securities without being properly licensed.

The settlement concludes an investigation led by state securities regulators into allegations that RBC allowed its client associates to accept trade orders from clients, a practice that requires licensing of the client associate's home state and in the client's state. The Division of Securities investigation found that this was not always the case, and that RBC's supervisory system was not reasonably designed to ensure that its client associates fully complied with Colorado's licensing requirements.

As part of the settlement, RBC has agreed to establish and maintain a trade monitoring system that ensures proper licensing in every jurisdiction. In addition, RBC has been ordered to pay back licensing fees to the State of Colorado in the amount of \$37,380 and up to \$2.8 million in back licensing fees to other states who approve the terms of the settlement.

The multi-state task force investigating this matter consisted of state securities regulators from Colorado, Texas, Missouri, New Jersey, Vermont, New Hampshire and Delaware. State securities regulators, including Colorado, are continuing their investigations into similar misconduct by other firms.

The **Colorado Division of Securities** is responsible for the administration and enforcement of the Colorado Securities Act, the Colorado Commodity Code, the Colorado Municipal Bond Supervision Act, and the Local Government Investment Pool Trust Fund Administration and Enforcement Act. The Division licenses and regulates stockbrokers and investment advisers and the securities investments they offer, sell, and advise about in Colorado. The Division also investigates cases of alleged securities fraud.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.